



FEDERAL ELECTION COMMISSION  
WASHINGTON D C 20463

AUG 17 2004

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Mr. George "Duf" Sundheim, Chairman  
California Republican Party  
1903 West Magnolia Blvd.  
Burbank, CA 91506

RE: MUR 4788

Dear Mr. Sundheim:

This is in reference to the complaint filed by Michael Schroeder, the former Chairman of the California Republican party ("CRP"), on behalf of the CRP with the Federal Election Commission on August 12, 1998, concerning possible violations of the Federal Election Campaign Act of 1971, as amended ("the Act").

The Commission initially found there was reason to believe the California Democratic Party and the Democratic State Central Committee of California—Federal and Katherine Moret, as treasurer, violated 2 U.S.C. §§ 441b, 441a(a)(2)(A), 441d(a), and 441a(d), and 11 C.F.R. § 102.5 (a)(1)(i); the Democratic State Central Committee of California—Federal and Katherine Moret, as treasurer, violated 2 U.S.C § 434(b); and, the Democratic State Central Committee of California—Non-Federal and Katherine Moret, as treasurer, violated 2 U.S.C.§ 441b and 11 C.F.R. § 102.5 (a)(1)(i), provisions of the Act. The Commission also found reason to believe that Friends of Lois Capps and David Powdrell, as treasurer, violated 2 U.S.C. §§ 441a(f) and 434(b).

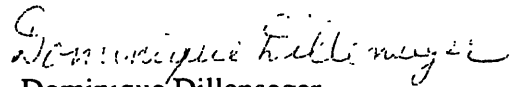
After conducting an investigation, the Commission determined to take no further action and close the file as to the Friends of Lois Capps and David Powdrell, as treasurer, regarding 2 U.S.C. §§ 441a(f) and 434(b), the findings based on coordination. Correspondingly, the Commission determined to take no further action as to the California Democratic Party and the Democratic State Central Committee of California—Federal and Katherine Moret, as treasurer, regarding 2 U.S.C. §§ 441a(a)(2)(A) and 441a(d). A copy of the dispositive General Counsel's Report is enclosed for your information Enclosure 1.

Subsequently, the Commission found probable cause to believe the California Democratic Party and the Democratic State Central Committee of California—Federal and Katherine Moret, as treasurer, violated 2 U.S.C. §§ 441b and 441d(a), and 11 C.F.R.

§ 102.5(a)(1)(i); the Democratic State Central Committee of California—Federal and Katherine Moret, as treasurer, violated 2 U.S.C. § 434(b); and the Democratic State Central Committee of California—Non-Federal and Katherine Moret, as treasurer, violated 2 U.S.C. § 441b and 11 C.F.R. § 102.5(a)(1)(i). The Commission was unable to settle the matter through a conciliation agreement and, therefore, authorized the filing of a civil suit in United States District Court. On June 7, 2004, the district court issued a final Order and Judgment against these respondents. Enclosure 2. The Commission's consideration of this matter was concluded and the file is now closed.

Documents related to the case will be placed on the public record within 30 days. *See* Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003). If you have any questions, please contact me at (202) 694-1650.

Sincerely,

  
Dominique Dillenseger  
Attorney

Enclosures  
General Counsel's Report  
Order and Judgment